



Employers Who Had Fifty or More Employees Using MassHealth, Commonwealth Care, or the Uncompensated Care Pool in State FY07

A report by the
Executive Office of Health and Human Services
Division of Health Care Finance and Policy

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Executive Summary

The Commonwealth's landmark health care reform legislation of 2006 recognizes the key role that employers play in achieving its goal of near universal coverage. A number of provisions in the law act as incentives for employers to maintain coverage. Moreover, the law's requirement that all adults in the state have insurance, if affordable coverage is available to them, may spur some employers – in the interest of attracting or retaining a qualified workforce – to offer, continue, or upgrade coverage.

The Massachusetts Division of Health Care Finance and Policy (the Division) annually produces a report identifying employers with 50 or more employees receiving health services through publicly subsidized programs. The Division released its first report on this topic in 2005 in response to Section 304 of Chapter 149 of the Acts of 2004. This edition provides information on state fiscal year 2007 (FY07), which began July 1, 2006 and ended June 30, 2007, and reflects the early months of implementation of health reform. For the first time, the report includes the cost of Commonwealth Care coverage provided to employees and their non-working spouses, as this new program was implemented during state FY07. The report also provides information on MassHealth (Medicaid) and Uncompensated Care Pool (the Pool) expenditures for employees, non-working spouses, and dependents.

For this edition of the report, the Division significantly enhanced its methodology for identification and verification of employer-employee relationships. In order to provide a comparison to prior year results, the Division analyzed data from state FY06 (July 1, 2005 through June 30, 2006) utilizing the new methodology. Hence, this report identifies companies found to have 50 or more employees receiving health care services through publicly subsidized programs during state FY06 and state FY07 and provides the total number of employees, dependents, and the cost of services provided, by program, for each employer identified. The analysis was developed using a two-pronged approach:

- 1) In collaboration with the Department of Revenue (DOR), the Office of Medicaid, and the Commonwealth Health Insurance Connector Authority, the Division identified employees through matches with DOR's quarterly wage reporting files to create employer-level summaries of the number of employees and the value of services provided to them and to their dependents.
- 2) For individuals who could not be matched with DOR records due to the lack of a valid social security number (SSN), the Division examined the self-reported employment status. Self-reported employment information was obtained from MassHealth and Commonwealth Care member eligibility records and from information on hospital claims submitted to the Pool. Previous reports issued by the Division were based solely on this methodology.

Key Findings

In state FY07:

- An estimated \$636.8 million in public funds were spent on health care services through MassHealth, the Pool, or Commonwealth Care for employees and their dependents working for employers who had 50 or more employees receiving publicly subsidized health care.
- Nearly 254,000 employees received publicly subsidized care at a cost of \$371.7 million: \$250.2 million through MassHealth, \$98.4 million through the Pool, and \$23.1 million through Commonwealth Care.
- In addition, over 220,000 dependents and non-working spouses of these employees received publicly subsidized care at a total cost of \$265.1 million: \$249.4 million through MassHealth; \$14.0 million through the Pool; and \$1.6 million through Commonwealth Care.

Between state FY06 and state FY07:

- State FY07 spending of \$636.8 million increased by 13.9% over the state FY06 estimate of \$559.2 million.
- The increase in the total cost of services was driven mostly by costs for dependents, which increased by 18.4%, while costs for employees increased by 10.8%. The largest increase in spending was associated with MassHealth dependents reflecting the explicit state- and federal-level policy decision to expand MassHealth coverage to children from families with incomes up to 300% of the federal poverty level (FPL). This expansion of the State Children's Health Insurance Program (SCHIP) was implemented at the start of state FY07 and led to a 16% increase in the MassHealth SCHIP caseload.
- MassHealth costs identified through this analysis increased by 13.0% between state FY06 and state FY07, while Pool costs declined by 4.1%; this decrease in Pool costs was expected with the introduction of Commonwealth Care.
- The total number of employees increased by 5.9% and the total number of dependents increased by 4.5%.
- The number of employers with 50 or more employees in state FY06, compared to state FY07, increased by 84 firms, or 6.0%, from 1,390 in state FY06 to 1,474 in state FY07.

Discussion

- **It is not surprising that the number of employed people being covered through publicly subsidized health programs has increased during this time period.** A key purpose of health care reform was to expand coverage to the uninsured working poor who often do not have access to health insurance through their employer and cannot afford to purchase it on their own. This is borne out by survey data. In 2007, the Division found that while most (68%) uninsured are employed, most (66%) of the working uninsured are employed

at firms that don't offer health insurance. Even for the working uninsured whose employers offer coverage, 46% are not eligible for such insurance. Approximately one-third (34%) of the working uninsured work part-time, which may account for their not being eligible for employer-offered insurance.

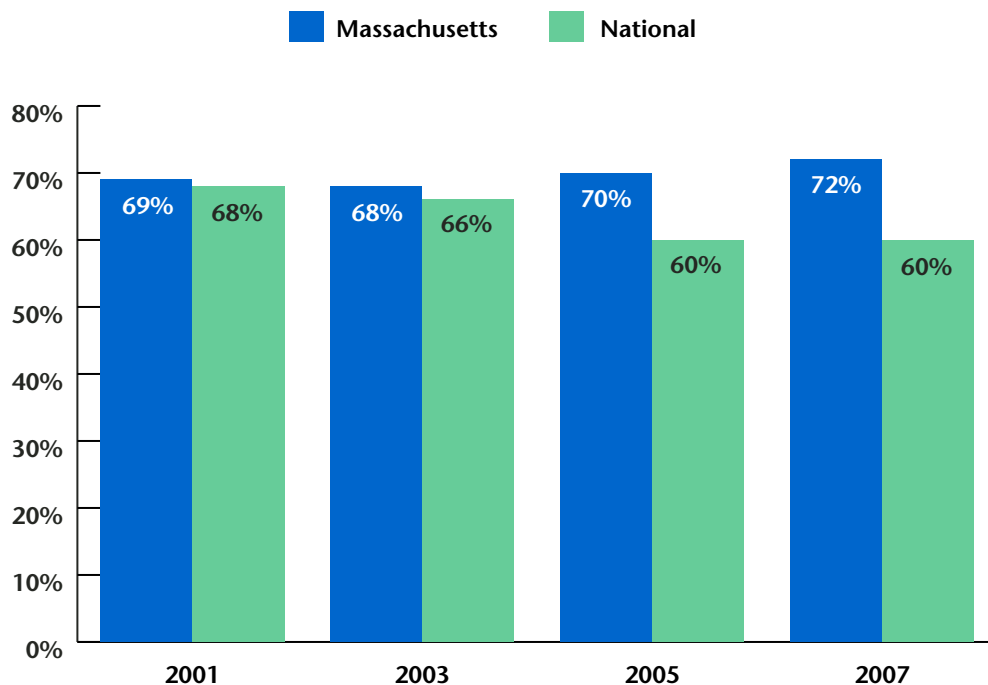
- **Employers in Massachusetts continue to maintain their strong role in providing access to health insurance for their employees.** The Division's 2007 employer survey found that 72% of Massachusetts employers offer health insurance to their employees, whereas only 60% of employers nationwide offer coverage. This rate is even higher for Massachusetts employers with more than 50 employees, 99% of which offer coverage.
- **However, not all employees at firms offering health insurance are eligible for coverage.** Fifty-nine percent (59%) of Massachusetts employers require a waiting period of at least one month before new employees may access health insurance benefits, and 37% of these employers require a three-month waiting period. In addition, in 2007, only 25% of Massachusetts employers were found to offer health insurance to their part-time employees, and among those firms, nearly three-quarters (73%) required that employees work at least half time.
- **Employees identified in this analysis should not have had an offer of ESI, or were ineligible for their employer-offered insurance due to either their part-time work status, their status as contract employees ineligible for benefits, or because they were new hires facing a waiting period for health insurance benefits.** The state has processes in place to ensure that where employer-sponsored insurance (ESI) is available, it is leveraged. Both the MassHealth and Commonwealth Care eligibility determination processes include evaluation of an applicant's access to ESI. The analysis presented here excludes MassHealth members for whom MassHealth assists with the purchase of ESI, i.e., members with Premium Assistance, because in such cases MassHealth benefits are secondary to coverage obtained through their employer. Commonwealth Care excludes from eligibility those employees whose employers offer a contribution of 33% or greater towards the cost of an individual plan. Therefore, the MassHealth and Commonwealth Care employees and dependents identified through this analysis should not have had access to ESI at an employer whose contribution level exceeded 33% of the premium cost. The availability of ESI was not a factor in determining Pool eligibility during the time period covered by this report. Therefore, the employees and dependents identified as receiving care through the Pool may have had access to ESI.

Together these factors indicate that the uninsured are less likely to have access to ESI despite a high rate of employment. Therefore, for the low-income uninsured that meet MassHealth or Commonwealth Care eligibility rules, these programs may be the only way for them to afford health insurance coverage. For individuals ineligible for these programs, the Pool served as a safety net to cover some of their care needs.

Background

Most people in Massachusetts and throughout the United States typically receive health insurance through their employer. Massachusetts employers have maintained a strong role in the provision of health insurance coverage, while nationally this role is eroding. A 2007 survey conducted for the Division of Health Care Finance and Policy found that 72% of Massachusetts' employers offer health insurance to their employees, compared to only 60% nationally.¹ The percentage of Massachusetts employers offering health insurance has held steady, while nationally, the rate has been falling (see Figure 1). Large employers with more than 50 employees—those examined in this report—are even more likely to offer health insurance to their employees, with 99% of large employers in Massachusetts offering coverage in 2007 compared to 97% in 2005.

Figure 1: Employer-sponsored Insurance



Source: Massachusetts data from DHCFP Employer Survey for 2001, 2003, 2005 and 2007. National data from Kaiser/HRET Survey of Employer-Sponsored Health Benefits 1999-2007

¹ Kaiser/HRET Employer Health Benefits 2007 Annual Survey

However, employer-sponsored insurance (ESI) may not be available to all employees. Employers may not offer health insurance benefits to their contract employees, may impose waiting periods for benefits, or may offer benefits only to full-time employees.

The Division's 2007 survey found that 59% of employers require a waiting period before new employees may access health insurance benefits and 44% of these employers require employees to wait three months. During the waiting period employees may be uninsured, covered through COBRA, or, if eligible, may access care through public programs.

In most instances, employers offer health insurance only to their full-time employees, leaving part-time workers uninsured. In addition, in 2007, only 25% of Massachusetts employers were found to offer health insurance to their part-time employees and among those offering insurance to part-time employees, nearly three-quarters (73%) required that employees work at least half time. As a result, part-time employees may end up uninsured or, if eligible, access care through MassHealth, Commonwealth Care, or the Uncompensated Care Pool (the Pool).

The above findings are corroborated by the Division's household survey on insurance status. In 2007, the Division found that most (68%) uninsured are employed; however, most (66%) of the working uninsured are employed at firms that don't offer health insurance. Even for the working uninsured whose employers offer coverage, 46% are not eligible for such insurance. Approximately one-third of the working uninsured work part time, which may account for their not being eligible for employer-offered insurance.

These factors indicate that the uninsured are less likely to have access to ESI, despite a high rate of employment. Therefore, for the low-income uninsured that meet MassHealth or Commonwealth Care eligibility rules, these programs may be the only way for them to afford health insurance coverage. For individuals ineligible for these programs, the Pool served as a safety net to finance some of their care needs.

This report summarizes data on the utilization of publicly subsidized health care programs by employed individuals and their families during state FY06 (July 1, 2005 through June 30, 2006) and state FY07 (July 1, 2006 through June 30, 2007). The data exclude members of these programs with access to ESI (e.g., MassHealth Family Assistance). Therefore, the data reflect populations that, while employed, likely do not otherwise have access to subsidized health insurance.

Methodology

This section describes the methods used by the Division, in collaboration with staff from the Department of Revenue (DOR), the Office of Medicaid, and the Commonwealth Health Insurance Connector Authority to conduct this analysis. Data for these reports was analyzed in accordance with the security and confidentiality standards administered by the Executive Office of Health and Human Services and the DOR.

For this edition, the Division implemented a new methodology to identify employment information for persons receiving publicly subsidized care. Whereas the Division relied solely upon self-reported employment history in past reports, this analysis includes both a process of matching eligibility files with the DOR's quarterly employment records, as well as the prior self-reported employment methodology for individuals whose eligibility records do not include a valid social security number (SSN) and could not be matched with DOR employment records. Since SSN is not a required field for the purpose of determining eligibility, not all persons accessing care through publicly subsidized programs could be matched to DOR records. Therefore, the DOR match approach, while accurate, shows only a portion of the employment information for MassHealth members and persons accessing care through the Pool.

In comparing the new DOR match results for state FY06 to the results reported by the Division in February 2007 using the old methodology, the total costs increased nearly two-fold from \$234.2 million to \$466.8 million. The costs associated with the self-reported information that could not be identified through the DOR match for state FY06 added another \$36.0 million; therefore, the new methodology presents a much more complete and accurate picture of employer relationships.

The key steps involved in developing this analysis included:

- identifying employees and their dependents using publicly subsidized health care services;
- identifying costs of care provided to employees, spouses, and dependents, by program;
- aggregating costs by employer; and
- identifying employers with 50 or more unique employees using publicly subsidized care.

Methodology for DOR Match Records

Identifying Employees Who Accessed Publicly Subsidized Care

The first product of the analysis was a list of individuals who were either eligible for MassHealth or Commonwealth Care or who had received Pool services during state FY06 and FY07 and who had a work history reported to the Pool during the same calendar quarter.

In state FY06, the analysis included only MassHealth and Pool services; in state FY07, Commonwealth Care was implemented with program costs in the form of capitation payments beginning November 1, 2007. Any reference to Commonwealth Care below pertains to state

FY07 only. In addition, Commonwealth Care is for adults only; therefore, any reference to “dependents” under the Commonwealth Care program refers to non-working spouses whose expenses were associated with the working spouse’s employer.

MassHealth and Commonwealth Care Members

For MassHealth and Commonwealth Care members, the Division examined eligibility records to identify all individuals who had records containing an SSN. The state’s benefits eligibility forms include a field for the SSN, but it is not required for eligibility determination.

The Division performed an analysis to identify household members associated with an individual. Using coding within the MA-21 eligibility files, the Division identified households and members of that household reported as “self,” “spouse,” “child,” or “stepchild.” Those identified as a child or stepchild of an identified employee were included in the analysis of dependents. Only individuals identified as “self” or “spouse” were included in the file sent to DOR for comparison to employment data.

MassHealth Premium Assistance members were excluded from the analysis because the benefits of this program are secondary to coverage obtained through their employer.

Persons Who Received Services through the Pool

Individuals who accessed care through the Pool were identified through information provided by hospitals and community health centers on claims submitted to the Division. The analysis excluded Emergency Room Bad Debt (ERBD), Medical Hardship, and “Partial” Free Care, which serves as a supplement to other medical coverage. SSNs are included in the patient-specific data that documents Pool services. However, SSN is not a required field and providers do not validate the accuracy of SSNs before transmitting the patient-specific data to the Pool. To increase the number of records with a potentially valid SSN, the Division matched Pool claims without SSNs to MA-21 eligibility files. The Division then included any additional SSN information available to the file for the DOR match. As with the MassHealth and Commonwealth Care data, the file that was prepared for review against DOR quarterly employment data may have contained inaccurate SSNs, or inaccurate name and SSN combinations.

Matching MassHealth, Commonwealth Care, and Pool Records with DOR Records

Analysts at DOR compared the Division’s MassHealth, Commonwealth Care, and Pool SSN lists to quarterly wage reporting files. Quarterly wage reporting files represent employer-submitted information on current employees, including name and SSN. These records do not include self-employed individuals, who are not required to file employer wage reports.

Match criteria included the SSN and a name match under DOR’s enhanced name match program and the first four letters of the last name. For records that achieved exact matches, DOR provided the following information: employer’s name, address, federal tax identification number, and any quarters in which the individual was employed by that firm during state FY06 and state FY07.

When an individual matched to more than one employer in a single quarter, the Division requested wage data to support an allocation methodology distributing a share of the employee's and dependant's costs across the multiple identified employers. Wage data was not otherwise captured and did not appear in the files supplied to Division analysts.

MassHealth members, Commonwealth Care members, and Pool users who could not be matched with the DOR employment records due to the lack of a valid SSN were retained for inclusion in the self-reported employment analysis, as discussed further below.

Identifying Costs of Care

Once employees were identified through the DOR match and household information was compiled, the second step in the process was to identify the costs of services provided to the household.

MassHealth

MassHealth costs include all fee-for-service claims and capitated payments made to managed care organizations on behalf of identified employees and dependents. Costs associated with services provided by other state agencies, which are "passed through" MassHealth for purposes of federal reimbursement, were excluded from the analysis. In addition, lump sum payments to providers that were not claims-based and administrative costs incurred by MassHealth to operate the program were not included.

Commonwealth Care

Commonwealth Care costs include the state's portion of capitation payments made on behalf of a member. This value excludes any member payments such as premium share and copayments. In addition, contract settlements and the costs incurred by the Commonwealth Health Insurance Connector Authority to administer the program were excluded. The cost of services reported does not reflect the volume or intensity of services provided to an individual. Once a member is enrolled in a capitated program, a monthly payment is made to the managed care plan representing an estimate of the average cost of services utilized per month by the average member. This also applies to capitation payments made on behalf of MassHealth members enrolled in MassHealth managed care organizations and with the state's MassHealth behavioral health carve out vendor.

Uncompensated Care Pool (the Pool)

Pool costs reported are the Division's estimates of the actual cost of the services provided by hospitals and community health centers. Hospitals report charges to the Pool. For the costs in this report, those charges were multiplied by the hospital-specific cost-to-charge ratios applicable to the year of the data (i.e., reported charges for state FY06 were adjusted by the hospital FY06 cost-to-charge ratio and reported charges for state FY07 were adjusted by the projected hospital FY07 cost-to-charge ratio). The applicable Payment Adjustment Factor (PAF) was applied to community health center claims. As stated above, Pool costs include ERBD, Medical Hardship, and Partial Free Care.

It is important to note that the Pool did not reimburse all of these estimated costs. Rather, during state FY06 and state FY07, hospitals were reimbursed according to a prospective payment system.

Aggregating Costs by Employer

Costs were assigned to employers by matching the quarter in which employment was reported to the quarter in which health care services were delivered to the employee and his/her dependents, where applicable. Inpatient admissions, which spanned two quarters, were allocated based on the discharge date.

Costs for individuals with more than one employer during a quarter were allocated to each employer on a pro-rated basis based on each employer's share of total wages paid during the quarter. Costs for dependents in such cases were similarly allocated.

For a household in which both "self" and "spouse" were DOR match employees, costs were allocated on a quarterly basis to each employee's employer based on that employer's share of the combined gross wages of both "self" and "spouse" for the quarter.

Identifying Employers with 50 or More Unique Employees

Individuals may be enrolled in more than one program during the fiscal year. In such cases, the total number of employees per employer that was used to determine whether the employer had 50 or more employees receiving care through publicly subsidized programs was the unique number of individuals occurring across the three different public programs. For example, if an employee accessed care through MassHealth and later in the fiscal year was enrolled in Commonwealth Care while employed, that individual would be counted once in MassHealth, once in Commonwealth Care, and only once in the total for determining whether the employer met the criteria for inclusion in the report, i.e., had 50 or more employees.

Those employees with no claims during the fiscal year were excluded from the analysis unless they had dependents that incurred costs through one or more publicly subsidized programs during the same fiscal year.

Methodology for the Self-reported Employment Group

To estimate the total number of employed users of publicly subsidized care, the Division also examined information on individuals who were not matched with DOR (due to the lack of a valid SSN) to determine whether they had self-reported employment. This methodology is consistent with the one used in prior reports.

The Division conducted analysis of self-reported employment as a supplement to the DOR match approach to capture those employees who did not have a valid SSN. If an employee had both self-reported employment and was identified as working through the DOR match, the information collected through the DOR match was included in the analysis and the self-reported employment information was not used.

For this analysis, the Division was unable to identify dependents of those employees who obtained care through the Pool.

Identification of Employees

For MassHealth and Commonwealth Care, information about an individual's work status can be self reported at the time of application or it may be completed or updated during annual eligibility re-determinations. This information is recorded in the MA-21 eligibility system in the employer name field. It is the member's obligation to submit updates to MassHealth and Commonwealth Care when employment status changes, including employer name and amount of salary.

For the Pool, information on self-reported employment was taken from hospital claims obtained during the intake process. Community health center claims do not collect patient employment status, so they were not a source for this analysis.

It should be noted that employees of temp agencies may self-report that they are employed with the employer to which they have been assigned rather than naming the temp agency as their employer. In contrast, the DOR match records would have correctly included the temp agency as the employer.

Identifying Costs of Care

The same costs were included in self-reported methodology as in the DOR match methodology.

Aggregating the Cost of Care by Employer

With this analysis, the self-reported employer is assumed to be the employer for the entire year; therefore, all costs associated with employees and their dependents for the entire year were included in the analysis. This means that the costs of services provided for the entire year were allocated to the named employer, even though DOR could not verify that the employee was employed with that employer during all quarters of the fiscal year.

In addition, since self-reported employer information lacks specificity, the Division was not able to distinguish the ownership of franchised units operating under a single corporate name. Since employees tend to report the franchisor's corporate name as their employer (rather than the name of the franchise owner), the Division analysis of self-reported employment groups all employees of all franchises under one corporate name, making them look like one large employer. In fact, many franchise owners own only one or two stores and are not likely to have 50 or more employees receiving publicly subsidized care. Furthermore, the franchise owner, not the franchisor corporation, determines health care benefits and other conditions of employment for individually owned franchises.

Identifying Employers with Fifty or More Employees

The employer name field is a "free-text field," or one in which information can be entered without adhering to a particular format, limited only by the number of characters allocated by the database design and not subject to validation. As a result, one employer name can have a number

of different spellings. The file listing the total number of unique employer names in the Employer Name Field contained nearly 180,000 records for state FY07. A preliminary analysis of the most frequently occurring employer names in this file, using pattern matching and visual inspection of the records, led to the creation of a standardized list of employer names. Of the 180,000 different employer names recorded in the free text field, less than 10% appeared at least twice.

Results

This section presents the combined results of the DOR match and the self-reported employment information. (Detailed tables presenting the combined analysis and the results of each individual methodology are presented in Appendix 1.) When reviewing these results, please bear in mind the aforementioned caveats, particularly:

DOR Match: Since SSN is not required for eligibility determination, it is not available for all people served through publicly subsidized health care programs. Therefore, while the DOR match process provides verified employer relationships by quarter for the majority of adults receiving publicly subsidized care, the number of people served and costs identified represent a lower bound estimate.

Self-reported Information: Employer information presented under the self-reported analysis could not be verified. It is possible that there were human errors when the information was inputted into the eligibility system. In addition, while members are asked to update this information whenever there are changes in employment status, this does not always happen. The information could be outdated, i.e., the member no longer works for that employer or has subsequently become employed with a different employer. In addition, since the employment information could not be verified, costs for the entire year were allocated to the self-reported employer when in fact that employer may not have employed the member for all quarters during the year. Finally, the Division was unable to identify household members associated with self-reported employees who accessed care through the Pool. The self-reported information may overstate the employer relationships and associated costs in some cases and understate it in others.

Combined Analysis Results

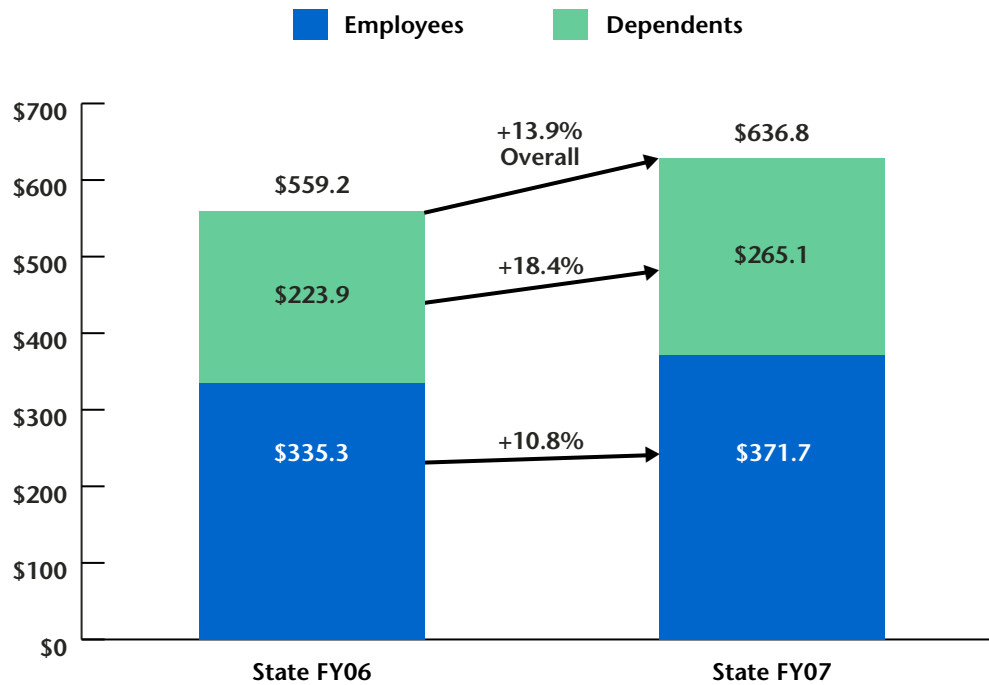
In state FY07, 253,810 employees receiving publicly subsidized care were employed by 1,474 businesses in which more than 50 employees obtained publicly subsidized health care. In addition, 220,324 dependents of these employees also accessed publicly subsidized care. Total costs for employees and dependents were over \$636.8 million, 58.4% (or \$371.7 million) for employees, and 41.6% (or \$265.1 million) for dependents (see Figure 2 on page 13).

The total cost of services increased by 13.9%, driven mostly by costs for employees' dependents, which increased by 18.4%, while costs for employees increased by 10.8% (see Figure 2 on page 13). The largest increase in spending was associated with MassHealth dependents reflecting the explicit state- and federal-level policy decision to expand MassHealth coverage to children in families with incomes up to 300% of the federal poverty level (FPL). This expansion of the State Children's Health Insurance Program (SCHIP) was implemented at the start of state FY07 and led to a 16% increase in the MassHealth SCHIP caseload.

Between state FY06 and state FY07, the total number of employees increased by 5.9% and the total number of dependents increased by 4.5% (see Figure 3 on page 14). The number of employers

identified in state FY06 compared to state FY07 increased by 6.0% from 1,390 in state FY06 to 1,474 in state FY07.

**Figure 2: Total Costs for Employees and Dependents
(in millions)**



Costs by Program

As depicted in Figure 4 on page 14, most (78.5% or \$499.6 million) of the costs for employees and dependents combined were associated with the MassHealth program, with an additional \$112.4 million (or 17.7%) coming from the Pool, and \$24.8 million (or 3.9%) from Commonwealth Care.²

Between state FY06 and state FY07, MassHealth expenditures grew by 13.0% and Pool expenditures declined by 4.1%.

² It should be noted that the Commonwealth Care program was not implemented until part way through state FY07 and enrollment of members with incomes above the FPL did not begin until January. Therefore, the Commonwealth Care costs represented here are for a partial year only and as enrollment was ramping up.

Figure 3: Total Number of Employees and Dependents Using Care

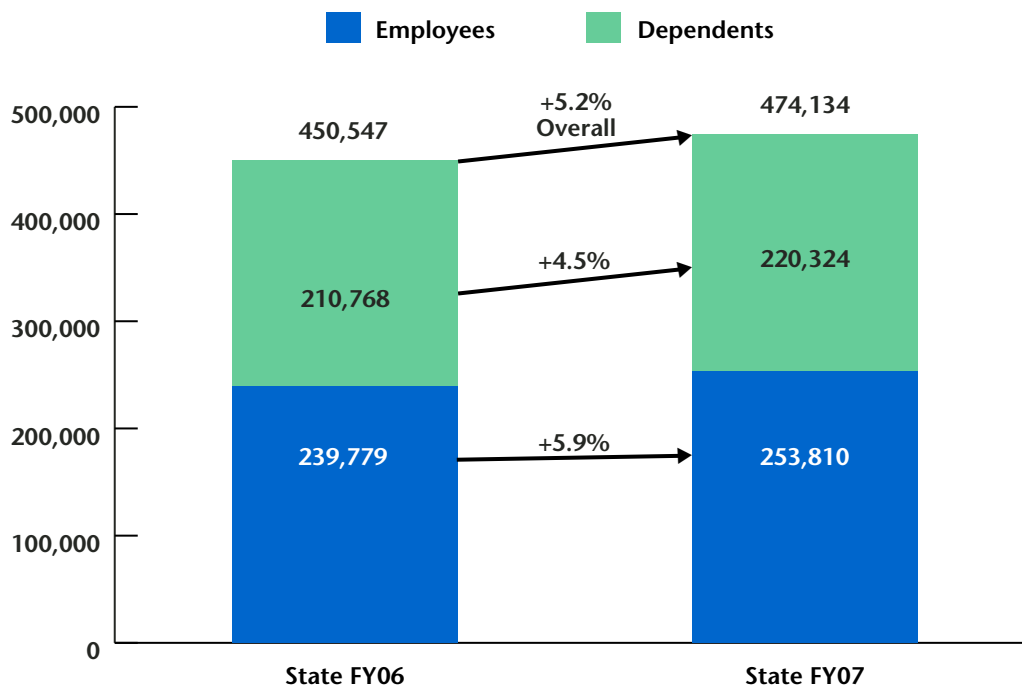
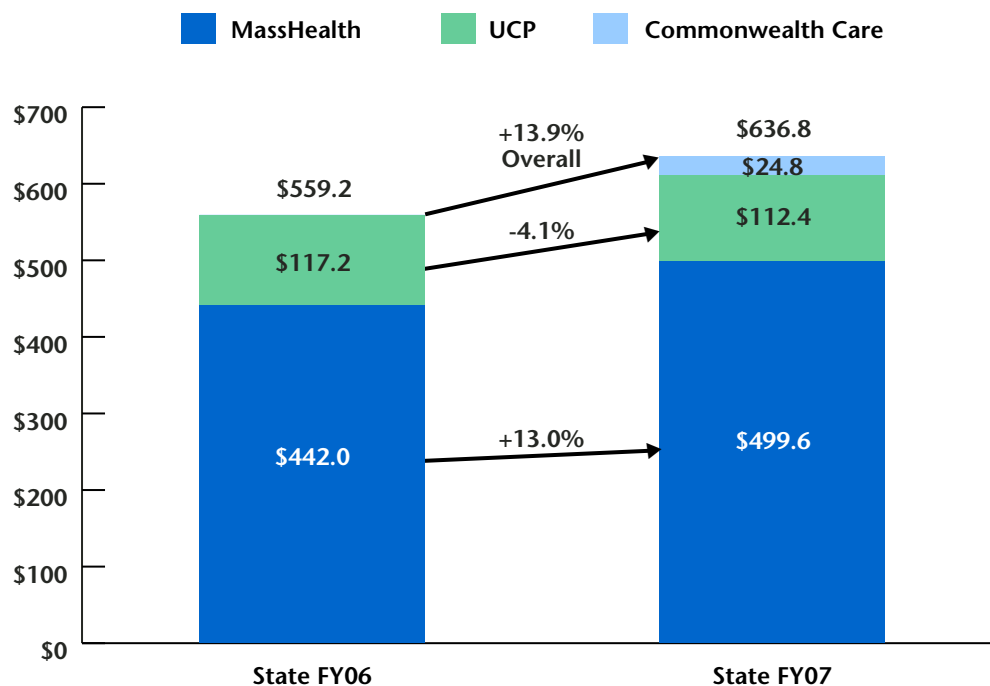


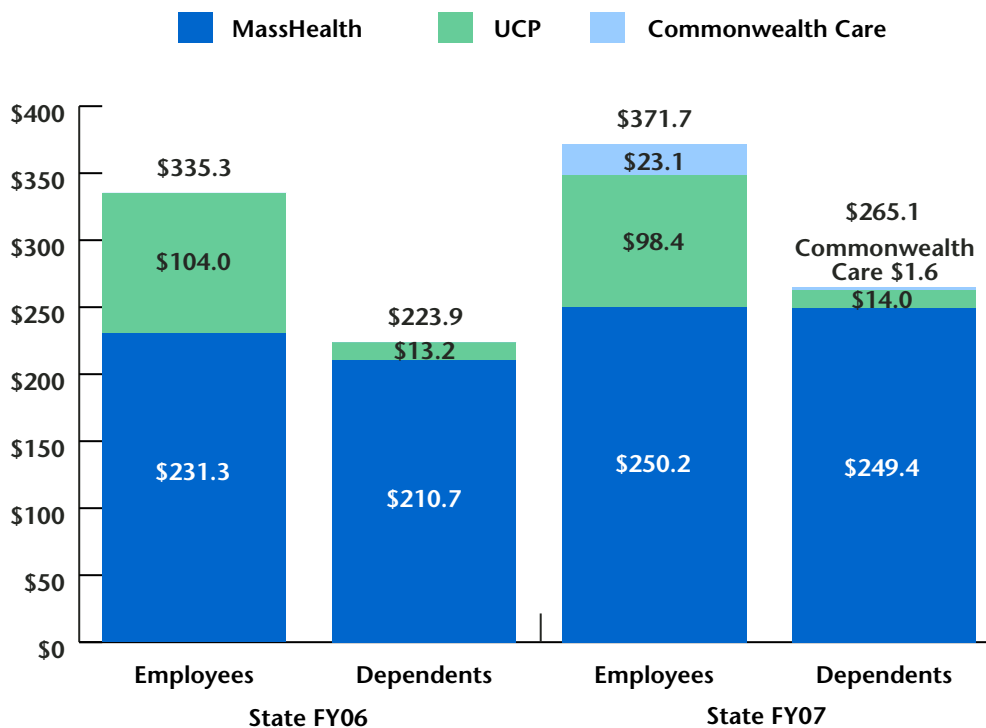
Figure 4: Total Expenditures by Program (in millions)



Of the total cost for employees, \$250.2 million (67.3%) was associated with the MassHealth program, \$98.4 million (26.5%) with the Pool, and \$23.1 million (6.2%) with Commonwealth Care (see Figure 5).

Of the total cost for dependents, the vast majority (94.1%) was for MassHealth services, with \$249.4 million going to the MassHealth program. In addition, \$14.0 million (or 5.3%) was for services provided through the Pool and \$1.6 million (or 0.6%) through Commonwealth Care.

Figure 5: Total Costs for Employees and Dependents by Program (in millions)

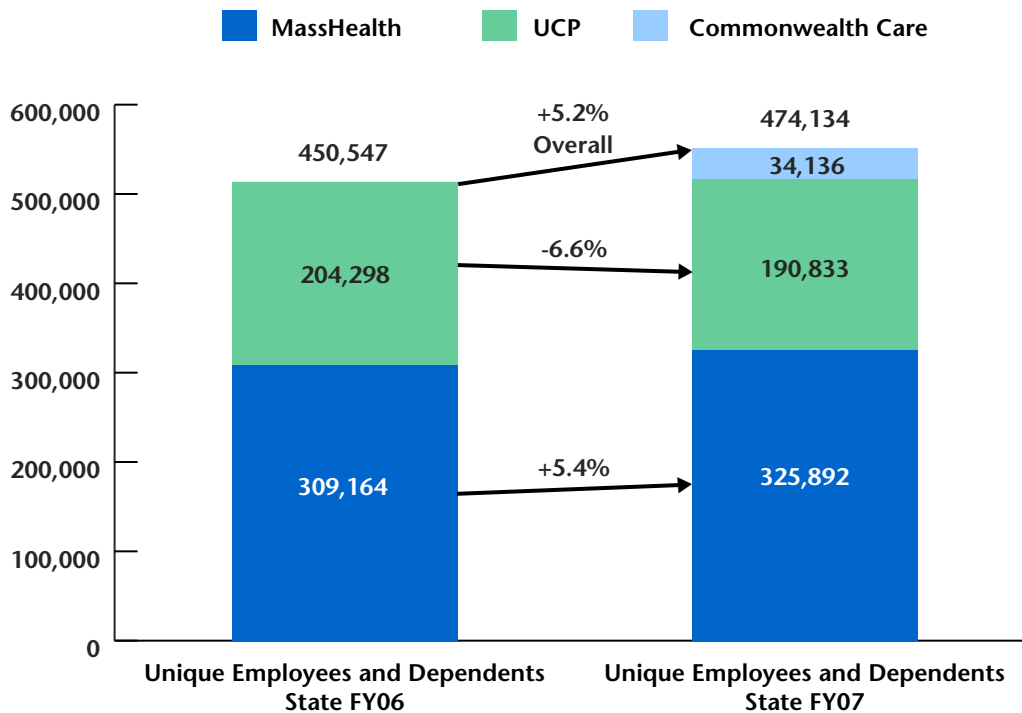


Total employee costs increased 10.8% from state FY06 to state FY07, with costs increasing by 8.1% for MassHealth and decreasing by 5.4% for the Pool. Total costs for dependents increased by 18.4% over the two years, with most of the increase driven by increases in MassHealth dependent costs, reflecting MassHealth expansions of eligibility for children up to 300% of the FPL.

Number of People Served by Program

In state FY07, similar to the distribution of total costs, most employees and dependents (325,892) were served by MassHealth, 190,833 accessed service through the Pool, and 34,136 were enrolled in Commonwealth Care (see Figure 6 on page 16).

Figure 6: Number of Individuals Served in Each Program



Note: The number of unique individuals served is less than sum of the number served by each program because some individuals were served by more than one program in a given state fiscal year.

From state FY06 to state FY07, MassHealth employees and dependents served grew by 5.4% overall, with dependents growing by 6.7% and employees increasing by 3.9%. Again, this is consistent with MassHealth expansions implemented early in state FY07. Both employees and dependents served by the Pool declined, by 5.8% and 7.8% respectively, reflecting the state's efforts to move these individuals into newly available coverage through Commonwealth Care, as well as increased take up of ESI by children and families with support from the MassHealth Family Assistance Program.

Firms with 50 or More DOR Match Employees

The DOR match process identified \$539.3 million in state FY07, compared to \$466.8 million in FY06, an increase of 15.5%. The number of firms identified as having 50 or more employees using publicly subsidized care increased from 1,263 in state FY06 to 1,307 in state FY07, representing a 3.5 % increase.

Appendices 2 and 3 show the detailed DOR match results by employer for state FY07 and state FY06, respectively. These attachments list employers who had 50 or more employees receiving publicly subsidized care during state FY07 and state FY06. The lists are sorted in descending order according to the total number of unique employees who accessed services from MassHealth, the Pool, or Commonwealth Care.

The top 25 firms by number of employees in state FY07 account for \$106.0 million (or 19.7%) of the total expenditures identified through the DOR match methodology. For state FY06, the top 25 firms by number of employees account for \$88.8 million (or 19.0%) of total expenditures identified through the DOR match methodology (see Figure 7 on page 18).

The top 25 employers remained almost entirely consistent for both years.

Firms with 50 or More Employees Identified through Self-reported Employment Data

The self-reported employment analysis identified \$97.5 million in state FY07 compared to \$92.3 million in state FY06, an increase of 5.5%. The number of firms identified as having 50 or more employees using publicly subsidized care increased from 154 in state FY06 to 167 in state FY07, representing an 8.4% increase.

Appendices 4 and 5 show detailed self-reported employment results by employer for state FY07 and state FY06, respectively. These attachments list employers who had 50 or more employees receiving publicly subsidized care during state FY07 and state FY06. The lists are sorted in descending order according to the total number of unique employees who accessed services from MassHealth, the Pool and/or Commonwealth Care. Information on dependents' use of the Pool is unavailable because this information could not be obtained through the self-reported employment information methodology.

The top 25 firms by number of employees in state FY07 account for \$45.2 million (or 46.4%) of the total expenditures identified through the self-reported employment methodology. For state FY06, the top 25 firms by number of employees account for \$43.7 million (or 47.3%) of the total expenditures identified through the self-reported employment methodology (see Figure 8 on page 19).

The top 25 employers were consistent for both years, with the top four in precisely the same order both years. Both Wal-Mart and Stop and Shop were in the top four for both the self-reported employer information and the DOR match methodology.

Figure 7: Top 25 Employers with 50+ Employees Using Publicly Subsidized Care DOR Match (sorted by state FY07 total employees)

| Employer | 2007 | | | | 2006 | | | |
|---------------------------------|-----------------|----------------------|---|------|-----------------|----------------------|---|------|
| | Total Employees | Total Employee Costs | Total Cost for Employees and Dependents | Rank | Total Employees | Total Employee Costs | Total Cost for Employees and Dependents | Rank |
| Wal-Mart Associates Inc | 5,021 | \$7,891,073 | \$13,926,081 | 1 | 4,277 | \$6,645,908 | \$12,103,648 | 2 |
| S&S Credit Co Inc (Stop & Shop) | 3,868 | \$5,833,130 | \$8,694,020 | 2 | 4,833 | \$7,960,717 | \$11,506,544 | 1 |
| Commonwealth of Massachusetts | 3,320 | \$5,463,719 | \$8,567,953 | 3 | 3,324 | \$5,315,230 | \$7,951,911 | 4 |
| May Department Stores Co | 2,364 | \$3,050,404 | \$4,711,943 | 4 | 2,751 | \$3,442,608 | \$5,027,391 | 5 |
| Shaws Supermarket Inc | 2,301 | \$4,065,902 | \$6,336,329 | 5 | 1,243 | \$906,957 | \$1,389,566 | 14 |
| Target Corporation | 2,286 | \$3,223,606 | \$5,265,968 | 6 | 1,708 | \$2,307,265 | \$3,699,321 | 10 |
| Vedior North America LLC | 1,929 | \$1,432,254 | \$2,455,030 | 7 | 1,656 | \$1,231,369 | \$2,009,817 | 13 |
| Demoulas Supermarkets Inc | 1,899 | \$3,100,377 | \$4,823,635 | 8 | 1,759 | \$2,681,071 | \$4,154,148 | 8 |
| Unicco Service Co Inc | 1,820 | \$2,595,323 | \$5,765,585 | 9 | 1,721 | \$1,838,110 | \$3,978,283 | 9 |
| City of Boston | 1,803 | \$3,905,536 | \$6,568,527 | 10 | 1,665 | \$1,972,361 | \$3,220,988 | 12 |
| Home Depot USA Inc | 1,757 | \$2,737,241 | \$4,440,412 | 11 | 1,847 | \$2,694,735 | \$4,244,137 | 6 |
| Friendly Ice Cream Corp | 1,755 | \$2,618,776 | \$4,071,206 | 12 | 1,773 | \$2,392,234 | \$3,828,747 | 7 |
| Adecco CS Inc | 1,695 | \$1,745,199 | \$2,833,008 | 13 | 1,683 | \$1,559,965 | \$2,585,802 | 11 |
| Labor Ready Northeast Inc | 1,654 | \$1,760,803 | \$1,985,075 | 14 | 3,645 | \$5,268,167 | \$5,633,958 | 3 |
| Papa Gino's Inc | 1,459 | \$1,853,202 | \$2,862,108 | 15 | 1,238 | \$1,230,964 | \$1,800,990 | 15 |
| Massachusetts CVS Pharmacy LLC | 1,379 | \$1,743,356 | \$2,816,193 | 16 | NA | NA | NA | NA |
| Kelly Services Inc | 1,216 | \$1,390,116 | \$2,101,820 | 17 | 972 | \$998,705 | \$1,657,922 | 23 |
| Pomerantz Pps LLC | 1,195 | \$1,171,099 | \$1,883,624 | 18 | 1,120 | \$913,281 | \$1,530,327 | 18 |
| United Parcel Service Inc | 1,176 | \$1,061,361 | \$1,610,457 | 19 | 1,142 | \$829,376 | \$1,294,232 | 16 |
| Diamond Staffing Inc | 1,156 | \$1,027,226 | \$1,537,661 | 20 | 988 | \$822,987 | \$1,272,570 | 22 |
| General Hospital Corp | 1,132 | \$1,437,711 | \$2,793,713 | 21 | 1,135 | \$1,446,827 | \$2,946,971 | 17 |
| Sears Roebuck & Co | 1,105 | \$1,480,488 | \$2,228,567 | 22 | 1,094 | \$1,381,078 | \$2,036,993 | 19 |
| Debbies Staffing Services Inc | 1,088 | \$1,422,814 | \$2,561,507 | 23 | 764 | \$610,392 | \$944,398 | 37 |
| Atlantic Temporaries Inc | 1,080 | \$1,186,106 | \$1,934,110 | 24 | 895 | \$871,695 | \$1,443,926 | 25 |
| Walgreen Eastern Co Inc | 1,070 | \$1,824,458 | \$3,208,745 | 25 | 1,071 | \$1,578,498 | \$2,564,193 | 20 |
| Total | 46,304 | \$65,021,280 | \$105,983,277 | | 44,304 | \$56,900,500 | \$88,826,783 | |

Figure 8: Top 25 Employers with 50+ Employees Using Publicly Subsidized Care Self-reported Employment (sorted by state FY07 total employees)

| Employer | 2007 | | | | 2006 | | | |
|----------------------|-----------------|----------------------|---|------|-----------------|----------------------|---|------|
| | Total Employees | Total Employee Costs | Total Cost for Employees and Dependents | Rank | Total Employees | Total Employee Costs | Total Cost for Employees and Dependents | Rank |
| Dunkin Donuts | 1,850 | \$4,179,300 | \$6,950,393 | 1 | 1,896 | \$3,935,609 | \$ 6,540,137 | 1 |
| McDonalds | 1,324 | \$2,682,656 | \$4,985,288 | 2 | 1,262 | \$2,544,191 | \$ 4,602,824 | 2 |
| Stop & Shop | 1,189 | \$3,717,229 | \$4,833,563 | 3 | 999 | \$3,459,343 | \$ 4,632,150 | 3 |
| Wal-Mart | 767 | \$1,997,392 | \$2,933,910 | 4 | 769 | \$2,120,695 | \$ 3,219,349 | 4 |
| Burger King | 593 | \$1,247,051 | \$2,952,616 | 5 | 618 | \$1,213,752 | \$ 2,008,952 | 6 |
| Unicco Service Corp | 536 | \$944,529 | \$1,594,067 | 6 | 530 | \$853,374 | \$ 1,524,381 | 7 |
| Shaws Supermarket | 472 | \$1,384,605 | \$1,935,889 | 7 | 624 | \$1,631,991 | \$ 2,218,796 | 5 |
| Wendy's | 449 | \$788,002 | \$1,404,678 | 8 | 485 | \$1,048,181 | \$ 1,781,493 | 8 |
| CVS Pharmacy | 446 | \$1,551,953 | \$2,345,171 | 9 | 394 | \$1,324,564 | \$ 1,900,630 | 9 |
| Filene's | 337 | \$823,969 | \$2,277,960 | 10 | 290 | \$772,017 | \$ 1,258,224 | 13 |
| UMass | 327 | \$647,681 | \$941,999 | 11 | 308 | \$650,991 | \$993,218 | 12 |
| Friendly's | 317 | \$663,995 | \$1,102,871 | 12 | 323 | \$963,240 | \$ 1,656,081 | 11 |
| Labor Ready | 312 | \$880,313 | \$935,974 | 13 | 206 | \$951,199 | \$ 1,029,427 | 25 |
| Aramark Inc | 305 | \$621,923 | \$920,928 | 14 | 390 | \$892,280 | \$ 1,309,658 | 10 |
| Home Depot | 286 | \$576,153 | \$846,203 | 15 | 285 | \$594,163 | \$843,813 | 14 |
| US Postal Service | 269 | \$482,275 | \$727,900 | 16 | 247 | \$479,343 | \$837,569 | 18 |
| Market Basket | 263 | \$505,121 | \$837,888 | 17 | 254 | \$611,980 | \$895,876 | 16 |
| Demoulas Supermarket | 247 | \$506,706 | \$985,650 | 18 | 230 | \$482,583 | \$773,154 | 20 |
| Janitronics | 240 | \$571,631 | \$980,053 | 19 | 205 | 449,548 | 812,009 | 26 |
| Papa Ginos | 235 | \$525,760 | \$833,926 | 20 | 242 | \$443,603 | \$754,916 | 19 |
| Target | 225 | \$625,593 | \$946,095 | 21 | 263 | \$713,634 | \$ 1,027,656 | 15 |
| 99 Restaurant | 221 | \$360,233 | \$789,107 | 22 | 148 | 291,069 | 446,086 | 40 |
| City of Boston | 221 | \$595,113 | \$739,116 | 23 | 254 | \$765,164 | \$926,579 | 17 |
| American Cleaning Co | 216 | \$335,560 | \$626,265 | 24 | 213 | \$515,455 | \$720,010 | 23 |
| YMCA | 213 | \$549,172 | \$804,772 | 25 | 224 | \$735,434 | \$ 1,025,840 | 21 |
| Total | 11,860 | \$27,763,914 | \$45,232,283 | | 11,659 | \$28,443,401 | \$43,738,827 | |

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Appendix 1

Summary Data

Combined DOR Match and Self-reported Employment

**Summary of Combined Results of DOR Match and Self-Reported Employment
Number and Costs of Employees and Dependents**

| | | FY06 DOR Match plus Self- Reported | FY07 DOR Match plus Self- Reported | Change | % Change |
|------------------------------|---|---|---|---------------|---------------------|
| All Programs | Number of Employers | 1,390 | 1,474 | 84 | 6.0% |
| | Total Employees | 239,779 | 253,810 | 14,031 | 5.9% |
| | Total Dependents | 210,768 | 220,324 | 9,556 | 4.5% |
| | Total Served | 450,547 | 474,134 | 23,587 | 5.2% |
| | Total Employee Costs | \$335,320,915 | \$371,702,209 | \$36,381,294 | 10.8% |
| | Total Dependent Costs | \$223,862,811 | \$265,061,583 | \$41,198,772 | 18.4% |
| | Total Cost For Employees and Dependents | \$559,183,726 | \$636,763,792 | \$77,580,067 | 13.9% |
| MassHealth | Employees | 141,516 | 147,033 | 5,517 | 3.9% |
| | Dependents | 167,648 | 178,859 | 11,211 | 6.7% |
| | Total MassHealth Served | 309,164 | 325,892 | 16,728 | 5.4% |
| | Employee Costs | \$231,311,126 | \$250,159,044 | \$18,847,918 | 8.1% |
| | Dependent Costs | \$210,656,159 | \$249,433,365 | \$38,777,206 | 18.4% |
| | Total MassHealth Costs | \$441,967,285 | \$499,592,408 | \$57,625,124 | 13.0% |
| UCP | Employees | 125,659 | 118,366 | \$(7,293) | -5.8% |
| | Dependents | 78,639 | 72,467 | \$(6,172) | -7.8% |
| | Total UCP Served | 204,298 | 190,833 | \$(13,465) | -6.6% |
| | Employee Costs | \$104,009,789 | \$ 98,408,941 | \$(5,600,849) | -5.4% |
| | Dependent Costs | \$ 13,206,652 | \$ 13,995,038 | \$788,386 | 6.0% |
| | Total Free Care/UCP Costs | \$117,216,441 | \$112,403,979 | \$(4,812,462) | -4.1% |
| Commonwealth Care | Employees | | 27,036 | | |
| | Dependents | | 7,100 | | |
| | Total Commonwealth Care Served | | 34,136 | | |
| | Employee Costs | | \$ 23,134,225 | | |
| | Dependent Costs | | \$ 1,633,181 | | |
| | Total Commonwealth Care Costs | | \$ 24,767,405 | | |

**Summary of DOR Match
Number and Costs of Employees and Dependents**

| | | FY06 DOR Match | FY07 DOR Match | Change | % Change |
|------------------------------|---|---------------------------|---------------------------|---------------|---------------------|
| All Programs | Number of Employers | 1,263 | 1,307 | 44 | 3.5% |
| | Total Employees | 216,308 | 228,586 | 12,278 | 5.7% |
| | Total Dependents | 196,875 | 206,269 | 9,394 | 4.8% |
| | Total Served | 413,183 | 434,855 | 21,672 | 5.2% |
| | Total Employee Costs | \$275,885,477 | \$310,531,426 | \$34,645,949 | 12.6% |
| | Total Dependent Costs | \$190,949,148 | \$ 228,767,173 | \$37,818,025 | 19.8% |
| | Total Cost For Employees and Dependents | \$466,834,624 | \$539,298,598 | \$72,463,974 | 15.5% |
| MassHealth | Total Cost For Employees and Dependents | 129,400 | 135,433 | 6,033 | 4.7% |
| | Dependents | 153,755 | 164,934 | 11,179 | 7.3% |
| | Total MassHealth Served | 283,155 | 300,367 | 17,212 | 6.1% |
| | Employee Costs | \$183,345,992 | \$202,810,233 | \$19,464,241 | 10.6% |
| | Dependent Costs | \$177,742,496 | \$213,240,548 | \$35,498,052 | 20.0% |
| | Total MassHealth Costs | \$361,088,489 | \$416,050,781 | \$54,962,292 | 15.2% |
| UCP | Employees | 114,304 | 105,970 | (8,334) | -7.3% |
| | Dependents | 78,639 | 72,467 | (6,172) | -7.8% |
| | Total UCP Served | 192,943 | 178,437 | (14,506) | -7.5% |
| | Employee Costs | 92,539,484 | 86,530,472 | \$(6,009,012) | -6.5% |
| | Dependent Costs | \$13,206,652 | \$13,995,038 | \$788,386 | 6.0% |
| | Total Free Care/UCP Costs | \$105,746,136 | \$100,525,510 | \$(5,220,626) | -4.9% |
| Commonwealth Care | Employees | | 25,603 | | |
| | Dependents | | 6,814 | | |
| | Total Commonwealth Care Served | | 32,417 | | |
| | Employee Costs | | \$21,190,720 | | |
| | Dependent Costs | | \$1,531,587 | | |
| | Total Commonwealth Care Costs | | \$22,722,307 | | |

**Summary of Self-Reported Employment
Number and Costs of Employees and Dependents**

| | | FY06 Self- Reported | FY07 Self- Reported | Change | % Change |
|------------------------------|---|--------------------------------|--------------------------------|---------------|---------------------|
| All Programs | Number of Employers | 154 | 167 | 13 | 8.4% |
| | Total Employees | 23,471 | 25,224 | 1,753 | 7.5% |
| | Total Dependents | 13,893 | 14,055 | 162 | 1.2% |
| | Total Served | 37,364 | 39,279 | 1,915 | 5.1% |
| | Total Employee Costs | \$59,435,438 | \$61,170,783 | \$1,735,345 | 2.9% |
| | Total Dependent Costs | \$32,913,663 | \$36,294,411 | \$3,380,748 | 10.3% |
| | Total Cost For Employees and Dependents | \$92,349,101 | \$97,465,194 | \$5,116,093 | 5.5% |
| MassHealth | Employees | 12,116 | 11,600 | (516) | -4.3% |
| | Dependents | 13,893 | 13,925 | 32 | 0.2% |
| | Total MassHealth Served | 26,009 | 25,525 | (484) | -1.9% |
| | Employee Costs | \$47,965,133 | \$47,348,810 | \$(616,323) | -1.3% |
| | Dependent Costs | \$32,913,663 | \$36,192,817 | \$3,279,154 | 10.0% |
| | Total MassHealth Costs | \$80,878,796 | \$83,541,627 | \$2,662,831 | 3.3% |
| UCP | Employees | 11,355 | 12,396 | 1,041 | 9.2% |
| | Dependents | | | | |
| | Total UCP Served | 11,355 | 12,396 | 1,041 | 9.2% |
| | Employee Costs | \$11,470,305 | \$11,878,469 | \$408,163 | 3.6% |
| | Dependent Costs | | | | |
| | Total Free Care/UCP Costs | \$11,470,305 | \$11,878,469 | \$408,163 | 3.6% |
| Commonwealth Care | Employees | | 1,433 | | |
| | Dependents | | 286 | | |
| | Total Commonwealth Care Served | | 1,719 | | |
| | Employee Costs | | \$1,943,505 | | |
| | Dependent Costs | | \$101,594 | | |
| | Total Commonwealth Care Costs | | 2,044,438.12 | | |